Digital disruption: a discussion guide for incumbents

The **disruption** is...	**Detectable** Faint signals with lots of noise	**Clear** Emergence of a validated business model	**Inevitable** Critical mass of adoption achieved	**New normal** At scale and mature
	• What drives the economics of my business model, and could current technologies challenge it? • Are there new business models that can better match the needs of at least some of my customers? • Can I be a winner in the new business models? What would that take?	• Can I do anything to halt or delay the disruption? • What is the baseline trajectory of my business if I stay on the current path? • How important is pre-emptive action? Do I really have time to wait? • What options and capabilities should I build now? How close should they be to the core business? • How can I rally support within the organization?	• Do any of my new ventures give me a base from which to compete in the new model? Can I get one? • Do I understand the radical changes required to create a new economic engine? • What do I do with the old core: Keep running it for cash, radically transform it, downsize or exit? • How can I make the case for aggressively shifting resources?	• What is a realistic aspiration in the new industry context? • Is my business capable of continual self-disruption? • Is an exit the best option?
	Acuity • Gather sharp and privileged insight to work through the noise • Challenge your own story • View your business through a potential disrupter's lens	**Action** • Develop a pipeline of new initiatives with stage-gated investment approach, to create options and build capabilities • Expose the core business to competition with the new ventures • If needed, begin transformation of the core business	**Acceleration** • Shift resources (including management focus) from core business to double down on new ventures • Build a coalition of believers to change mindsets across the organization	**Adaptation** • Develop talent and capabilities required to compete in the new model • Structurally realign the cost base to match the new profit pools • Evaluate 'best owner' scenarios
	Myopia • Overconfidence • Willful ignorance (i.e., not looking for or wanting to see disruptive trends) • Entrenchment in orthodoxy	**Pain avoidance** • Reluctance to endure pain of upfront cost • Unwillingness to cannibalize the core business • Putting short-term results ahead of long-term value	**Inertia** • Old centers of power lock in increasingly scarce resources • Legacy cost base becomes an anchor • New initiatives get lip service but little actual commitment	**Fit** • Lack of people or capabilities to compete in the new world • Likelihood that you're too late to the game • Unwillingness to make tough ownership decisions • Possibility that the industry is no longer profitable

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